

SENSITIVE

PAGE 1 - 269

SITUATION LISTING

DATE 04/24/73//114

SITUATION: HAK
 SUBJECT CATEGORY: OUTGOING II

MESSAGE / ANNOTATION:

ANNOTATIONS:
 SCOWCROFT, LORD

MESSAGE:
 UNK483

OO MEXICO
 DE WTE #1250 0820735
 ZNR UUUUU
 O 230740Z MAR 73
 FM THE SITUATION ROOM TOHAK 084
 TO JON HOWE FOR DR. KISSINGER
 ZEM
 UNCLAS WH30842
 TOHAK 084
 MARCH 23, 1973
 FOREIGN NEWS SUMMARY
 POWS

RE: US DEMANDING ACCOUNTING FOR LAOS POWS CHANCELLOR SAID
 "THAT IS A CHANGE," AND NOTED NVN SAID IT'S NOT PART OF THE DEAL.
 AS A RESULT, SAID JOHN OVER SILENT FILM OF CHANGE OF COMMAND
 CEREMONY, SEVERAL THOUSAND GI'S WHO THOUGHT THEY WERE GOING HOME
 AREN'T AND WHILE THEY'RE STAYING THERE'S A CHANCE POWS WILL
 REMAIN IN CAPTIVITY....MUDD CALLED IT AN "11TH HOUR HITCH, HOW
 SERIOUS REMAINS TO BE SEEN, THO 1 OFFICIAL SAID IT MAY BE RESOLVED
 AS SOON AS FRIDAY. CBS' SCHIEFFER NOTED THERE IS NO PROVISION FOR
 LAOS POWS IN CF AGREEMENT AND TROUBLE MAY BE PATHET LAO DIDN'T
 ACCEPT HAK "UNDERSTANDING." SO, SCHIEFFER CONCLUDED, NVN HAS STOPPED
 POW RELEASE, US HAS STOPPED WITHDRAWALS, AND THE FATE OF THE MEN
 IN LAOS REMAINS UNKNOWN....FRIEDHEIM ON ABC FILM W/REPORTER SAYING
 HOLDUP ON W/DRAWALS CENTERS AROUND LACK OF INFO ON THE 9 POWS
 HELD IN LAOS. DOD'S MAN SAID VC REFUSED TO SPECIFY IF THEY'D BE
 ON THE NEXT LIST OR NOT AND THE LAST MAN IS AS IMPORTANT AS 1ST.
 RN AND PN HAVE INVITED POWS AND FAMILIES TO SPEND A DAY AT WH
 MAY 24, INCLUDING FOREIGN POLICY BRIEFINGS FOR THE MEN, A RECEPTION
 HOSTED BY PN FOR THE WIVES AND DINNER AND EVENING ENTERTAINMENT.
 FORMER POW HARKER SAID NVN TRIED TO CONVINCE POWS SON TAY RAID
 WAS AN ATTEMPT TO KILL THEM, AND HE ADDED THE PROPAGANDA WAS SO
 EFFECTIVE POWS SERIOUSLY THOUGHT MCG MIGHT WIN THE ELECTION.
 "WE WERE REALLY HAPPY RN WON," HE STATED. HE SAID N. VIETS EMPHAS-
 IZED ANTIWAR MOVEMENT AND SHOWED POWS FILMS OF EVENTS, INCLUDING
 VVAW'S JOHN KEARY'S TESTIMONY ON HILL. THEY WERE ALSO SHOWN
 FILMS OF VVAW DEMONSTRATION AT THE CAPITOL WHEN VN MEDALS WERE
 THROWN OVER A FENCE, HE ADDED, AND SAID, "IT HURT US TO KNOW THEIR
 FEELINGS WERE LIKE THEY WERE. WE COULDN'T UNDERSTAND IT."...

SENSITIVE

SENSITIVE

PAGE 1 - 270

SITUATION LISTING

DATE 04/24/73//114

SITUATION: HAK
 SUBJECT CATEGORY: OUTGOING II

MESSAGE / ANNOTATION:

RETURNEE FRITZ SAYS POWS WERE TOLD BY CAPTORS, "YOU HAVE BEEN HERE FOR THE HOT WAR, NOW YOU ARE BEING RELEASED. DON'T RETURN FOR THE COLD WAR" OR RISK BEING SHOT BECAUSE PICS OF POWS WOULD BE CIRCULATED BY VC.

AP LEADS: "A FAMOUS DISABLED VET OF WWII SAYS THE VN ERA DISABLED VETS ARE HAVING A TOUGHER TIME FINDING THEIR WAY BACK INTO THE MAINSTREAM OF LIFE THAN THOSE OF HIS WAR AND KOREA." HAROLD RUSSELL SAID, "IT HAS TO DO W/ATTITUDES OF PEOPLE IN CONNECTION W/THE WAR, THEY'RE COMING HOME TO A DIFFERENT ENVIRONMENT. ADJUSTMENT IS ESPECIALLY DIFFERENT FROM ANYTHING WE'VE HAD BEFORE." HE ADDED US SHOULD MAKE "CONCENTRATED EFFORT" TO GET VETS BACK INTO MAINSTREAM AND ALTHO "5#36'VE GOT TO LEARN TO STAND ON THEIR OWN 2 FEET, THEY NEED HELP." RUSSELL IS CHRMN. OF RN'S COMM. FOR EMPLOYMENT OF THE PHYSICALLY HANDICAPPED. ALTHO NOT A PRO ACTOR, HE WON 2 ACADEMY AWARDS IN THE 147 MOVIE "BEST YEARS OF OUR LIVES." RUSSELL SAID 1ST THING A DISABLED VET SHOULD DO IS GO TO VA TO GET COUNSELING ON REHABILITATION AND JOB HUNTING. "THEY'VE GOT SOME GOOD PEOPLE," HE SAID.

NVN PROPAGANDA ISN'T LETTING US PILOTS OR PLANES BE FORGOTTEN BY SELLING TO ICCS MEMBERS WHO SUPERVISE POW RELEASES TRINKETS FASHIONED FROM DOWNED US PLANES. 1 POLISH DELEGATE SAID ALUMINUM CHOPSTICKS ARE POPULAR, COMPARING THEM TO POW-MIA BRACELETS.

OTHER INDOCHINA

NBC NOTED GVN REJECTED ANY PLAN TO EXTEND JMC FOR 45 MORE DAYS.... A US DIPLOMAT TERMED STATEMENT "THE MOST FLAT AND FINAL REJECTION OF ANYTHING" HE'D EVER HEARD FROM A VIET. 3 SAIGON NEWSPAPERS REPORTED US OFFICIALS WERE UNHAPPY JMC HADN'T ACCOMPLISHED ANYWHERE NEAR WHAT IT WAS SET UP TO DO, INCLUDING FORMATION OF TEAMS TO SEARCH FOR MIAS....CHANCELLOR NOTED JMC HAD "JUST ABOUT NOT BEEN ABLE TO WORK."

NBC/CBS NOTED WHAT MUDD CALLED "ANOTHER DISPUTE" BETWEEN US-NVN BESIDES POW ISSUE. ADMIN. GAYLER, CINCPAC SAYS US WILL RENDER HARMLESS EVERY MINE IN NVN WATERS BUT WOULDN'T REMOVE ALL OF THEM. NVN WANTS THEM ALL REMOVED, BUT US IS OBLIGATED ONLY TO MAKE CERTAIN THEY POSE NO DANGER TO SHIPS USING NVN PORTS AND WATERWAYS. GAYLER SAID WHERE REMOVAL OR DESTRUCTION IS IMPOSSIBLE, MINES WILL BE DEACTIVATED AND CLEARLY MARKED.

RE: GVN-VC MEETINGS, CHANCELLOR NOTED THERE WAS "NO REAL PROGRESS" W/GVN REP ON FILM SAYING TALKS ARE "INCHING" ALONG AND VC REP SAYING PRIMARY ISSUE MUST BE RELEASE OF VIET POWS BY GVN. CHANCELLOR NOTED THAT FIGHTING STILL GOES ON....MUDD NOTED MUTUAL ACCUSATIONS BY REPS OF EXCESSIVE FIGHTING AND LED BRADLEY REPORT FROM RACH BAP WHERE FILM SUGGESTED SIEGE-CAUSED DESTRUCTION AS REPORT FOCUSED ON ARVN EFFORTS TO RELIEVE 1 BELEAGUERED UNIT W/50 PERCENT CASUALTIES. HE NOTED LITTLE PLACE FOR SOLDIERS TO HIDE FROM INCOMING ROUNDS W/SOME EVEN BLOWN APART AND CONCLUDED THAT IN SOME

SENSITIVE

SENSITIVE

PAGE 1 - 271

SITUATION LISTING

DATE 04/24/73//114

SITUATION: HAK
 SUBJECT CATEGORY: OUTGOING II

MESSAGE / ANNOTATION:

ICCS FOLDER SOME DAY RACH BAP WILL BE JUST ANOTHER DUSTY NAME. SVN BROKE RACH BAP SIEGE -- THE OFFENSIVE AND SIEGE WERE BIGGEST VIOLATIONS OF CEASEFIRE, SAID ABC W/REASONER ADDING IT'S NOT BEEN A PEACEFUL TRUCE." REPORTER BELL SAID MAJORITY OF VIOLATIONS HAVE BEEN SMALL AND PREDICTABLE BUT THE MORE FLAGRANT ONES ADD UP TO A PATTERN WHICH SAY GREAT DEAL RE: CONCERN OVER FUTURE ON BOTH SIDES. SVN HAD DESTROYED MANY VILLAGES AND HAMLETS CONTAINING FEW VC BECAUSE OF CONCERN OVER FUTURE COMMUNIST POLITICAL/POPULATION USE OF AREA, AND NVA HAVE INFILTRATED IN SIGNIFICANT NUMBERS. ABC THEN W/FILM FROM A LEVELED HAMLET WHICH ARVN TOOK CARE OF DAY AFTER C-F. SOME VC HAD ENTERED W/OUT ANY OPPOSITION EARLIER. REPORTER NOTED IT WAS CAU-DAI, ANTI-COMMUNIST, STRONGHOLD BUT THE LANDMARK PAGODA WAS DESTROYED; PATHETIC HUTS TODAY STAND ON RUBBLE. REPORTER RELATED PLIGHT OF SEVERAL FAMILIES. HE NOTED SVN FLAG STILL STANDS AND CITIZENS' RESILIENCE AGAIN IS CLEAR BUT THERE'S ALSO A LINGERING BITTERNESS AND THE QUESTION OF WHAT THAT FLAG HAS COME TO SYMBOLIZE. BELL SAID HIS CREW WAS ASKED TIME AND AGAIN TO COMPLAIN TO SAIGON FOR LACK OF HELP THE TOWN HAD RECEIVED SINCE THE ARVN RAID. VC SPOKESMAN, COMMENTING ON SVN FIGHTING, SAID GVN IS TRYING TO "ABSORB" ZONES HELD BY VC AND THIS "VERY DANGEROUS MANEUVER COULD LEAD TO THE GRAVEST CONSEQUENCES" FOR VN PEACE. A VIEWER WROTE CBS AM THAT PEACE IN VN WAS W/OUT VICTORY AND AT ANY PRICE -- ON SAME TERMS IT COULD HAVE BEEN ACHIEVED 4 YEARS AGO. YET, HE SAID, IF RN GRANTED AMNESTY, IT WOULD LIFT US HEART. A 2ND VIEWER POINTED TO RIOTS AND WAR THAT FACED RN IN '68 AND DECLARED, "LOOK WHAT HE DIDN'T THE VIEWER DOESN'T BLAME RN FOR HIS AMNESTY STAND". LON NOL HAS PUT FORMER PREMIER MATAK, THE MAN US REPORTEDLY WANTS HIM TO SHARE POWER W/, UNDER "PROTECTIVE" CUSTODY, BUT IT WAS DENIED HE WAS UNDER HOUSE ARREST.

ITT-CHILE
 SENATE FOR, RELATIONS SUBCOMM RELEASED DOCUMENTS INDICATION JOHN MITCHELL HELPED ITT WIN ITS ANTITRUST FIGHT. UPI SAYS THE MEMO, TOGETHER WITH OTHER INTERNAL ITT DOCUMENTS RELEASED, "APPEAR TO CONTRADICT MITCHELL'S SWORN TESTIMONY THAT HE NEVER EVEN DISCUSSED THE CASE WITH ITT OFFICIALS." UPI ASSERTS THE DOCUMENTS FURTHER INDICATE VP ALONG WITH SEVERAL IN CABINET, ALSO WENT TO BAT FOR ITT...ITT DISPUTED PUBLISHED ACCOUNTS OF MEMORANDUM ALLEGED TO REVEAL MITCHELL'S "PERJURY," CALLING ACCOUNTS DISTORTED. COMPANY SAID MEMO DIDN'T STATE MITCHELL HAD DISCUSSED MERGER W/RN, BUT ONLY THAT MITCHELL WASN'T OPPOSED TO BIG COMPANY MERGERS IN GENERAL NOT ITT IN PARTICULAR. MUDD SAID SUBCOMM. HAD HEARD 2 "QUITE DIFFERENT" EXPLANATIONS OF \$1M ITT CHILEAN FUND. ON FILM GERRITTY SAID ITT DISAGREED W/ BROE'S PROPOSALS TO PROMOTE ECONOMIC COLLAPSE AND CHAOS, AND STATED ITT'S POSITION WAS "DIAMETRICALLY OPPOSED." GERRITTY SAID HE

SENSITIVE

SENSITIVE

PAGE 1 - 272

SITUATION LISTING

DATE 04/24/73//114

SITUATION: HAK
 SUBJECT CATEGORY: OUTGOING II

MESSAGE / ANNOTATION:

FLATLY DISAGREED W/MCCONE'S TESTIMONY AND SAID FUND WAS TO PLACATE AND REASSURE THE ALLENDE GOV'T. PERCY CALLED GERRITTY'S CONTRADICTORY TESTIMONY IMPLAUSIBLE AND SAID "IT DOESN'T HANG TOGETHER, IT DOESN'T MAKE SENSE."....CHURCH SAID ONLY BROE AND GENEEN CAN TESTIFY BY PERSONAL KNOWLEDGE WHAT TRANSPIRED BETWEEN ITT AND THE CIA." AP SAID IT WAS "QUESTIONABLE" WHETHER SUBCOMM. COULD FORCE ROGERS, BROE, PETERSON, OR COSTA RICAN ENVOY VAKY TO TESTIFY. GERRITTY SWORE ITT TRIED TO FUNNEL \$1M INTO CHILE IN '70 NOT TO KEEP MARXISTS OUT OF POWER, BUT TO HELP THEM W/SOCIAL RECONSTRUCTION. ITT'S PURPOSE WAS TO HELP ALLENDE W/ LOW-COST HOUSING AND FARM PROGRAMS IN THE HOPE THIS WOULD IMPROVE ITS RELATIONS. CASE CALLED IT A "COVER STORY." WHEN CONFRONTED W/SEEMING CONTRADICTION IN HIS TESTIMONY AND MCCONE'S STATEMENT THE OFFER WAS TO HELP FINANCE AN OPPOSITION COALITION AGAINST ALLENDE, GERRITTY SAID, "I'M BAFFLED." HE SAID COMPANY REJECTED 5-PT. PLAN SUGGESTED BY BROE TO INDUCE CHILEAN ECONOMIC COLLAPSE BECAUSE "IT DIDN'T MAKE SENSE AND WE DIDN'T WANT ANY PART OF IT. HE CALLED THE PLAN "SELF-DEFEATING." CHILEAN EMBASSY ISSUED A STATEMENT DENYING ALLENDE EVER STATED HE WOULD CONFISCATE ITT'S HOLDINGS W/OUT COMPENSATION....PRO-GOV'T CHILEAN PRESS SAID SENATE HEARINGS HAVE PROVEN "ECONOMIC GANGSTERISM" BY ITT AGAINST CHILE. INQUIRY WAS FRONT-PAGE BANNER NEWS. REASONER SAID MCCONE IS A GENTLEMAN IN FULLNESS OF YEARS WHO OUGHT TO BE ENJOYING LIFE IN QUIET, DIGNIFIED FASHION YET HE TALKS ON HILL OF ALL SORTS OF EMBARRASSING THINGS, LIKE A US COMPANY INTERFERING IN ANOTHER COUNTRY'S LEGAL AND INTERNAL AFFAIRS -- AND WE'RE NOT EVEN AT WAR W/CHILE. CLEARLY WRONG IN HARRY'S MIND FOR US GOV'T TO BE DISCUSSING W/A US CORPORATION THE PREVENTION OF SUCH A GOV'T'S RISE TO POWER. BUT WHETHER IT'S RIGHT OR WRONG DIDN'T ARISE IN THE ITT-CIA MINDS.

US-PANAMA

NBC NOTED US VETO OF RESOLUTION ON PANAMA....IN CBS AM FILM REPORT, NATHANSON REPORTED FROM PANAMA THAT THE SECURITY COUNCIL SESSION HAD ENDED W/ "NO HINT OF VIOLENCE" AND NO SUGGESTION TORRIJOS WOULD CARRY OUT 2-YEAR OLD THREAT TO LEAD TAKE-OVER OF CZ. "VERY LITTLE HAS BEEN RESOLVED," W/TENSIONS REMAINING. PANAMA CONTINUES ITS COMMERCE AND BUSINESS, ITS LEADERS CONTINUE AGITATING RE: CZ, AMERICANS CONTINUE MAINTAINING AND OPERATING CANAL, AND US TREATY NEGOTIATIONS CONTINUE "SAFEGUARDINGZ US POSITION THAT CANAL WON'T PASS OUT OF US HANDS. IT APPEARS TO BE A STALEMATE SAID NATHANSON, BUT THE CONTRAST OF PANAMA'S POVERTY W/LIFE IN CZ RANKLES JUST AS MUCH NOW AS IN '64. ON FILM A PANAMIAN NATIONALIST EMPHASIZED CZ IS CONSIDERED "MENACE TO SECURITY" OF BOTH PANAMA AND LATIN AMERICA, TORRIJOS HAD CARRIED ON INTENSIVE ANTI- US CAMPAIGN FOR WEEKS BEFORE COUNCIL SESSION, AND JUST HAVING IT IN PANAMA WAS CONSIDERED A VICTORY. NATHANSON NOTED HIS SPEECH WHICH SUGGESTED IF NEGOTIATIONS WEREN'T CONCLUDED SOON, PANAMA "MIGHT LOSE PATIENCE"

SENSITIVE

SENSITIVE

PAGE 1 - 273

SITUATION LISTING

DATE 04/24/73//114

SITUATION: HAK
 SUBJECT CATEGORY: OUTGOING II

MESSAGE / ANNOTATION:

--PERHAPS A REFERENCE TO HIS PROMISE RE: CZ TAKE-OVER, CONCLUDED REPORTER.
 SCALI SAID EFFORTS TO REACH COMPROMISE SOLUTION AFTER COMING "VERY CLOSE," FAILED WHEN PANAMANIAN "REVERSED THEIR FIELD.... HE SAID US BELIEVES "IT WOULD BE A DISSERVICE TO THE NEGOTIATIONS AND IMPROPER USE OF SECURITY COUNCIL IF BILATERAL NEGOTIATIONS WERE SUBJECTED TO THIS KIND OF OUTSIDE PRESSURE."....HE ADDED HE DIDN'T EXPECT ANY ANTI-US VIOLENCE BECAUSE OF THE VOTE.
 PANAMA'S BOYD ACCUSED US OF HAVING HAD "INFERIORITY COMPLEX" SINCE TEDDY ROOSEVELT....PANAMA WILL CARRY ITS DEMANDS FOR CZ TO UN GEN'L ASSEMBLY.
 STATE SAYS 800 CUBAN REFUGEES WILL BE AIRLIFTED TO US IN WHAT CUBAN GOV'T SAYS IS THE FINAL ROUND OF THE PROGRAM.
 US/USSR
 40 USSR JEWS SAID WEST SHOULDN'T BELIEVE "THE GOLDEN AGE HAS COME FOR REPATRIATION W/ISRAEL" BECAUSE OF USSR DECISION TO LIBERALIZE EMIGRATION PRACTICES. AUTHORITATIVE SOURCES SAID THE LAW HAS BEEN SUSPENDED BUT NOT REPEALED...USSR AUTHORITIES BRUSHED OFF US DIPLOMATIC EFFORTS TO FIND OUT IF USSR HAD LIFTED THE EMIGRANT TAX. 1 DIPLOMAT SAID, "MAYBE THEY WANT TO KEEP IT UNOFFICIAL."
 UPI SAYS USSR HAS MADE IT CLEAR OVER MANY YEARS THAT CITIZENS HAVE NO NATURAL RIGHT TO LEAVE THE COUNTRY. MORE THAN THAT, ANY EXPRESSED DESIRE TO LIVE ELSEWHERE SUGGESTED LESS THAN TOTAL LOYALTY TO THE COMMUNIST STATE AND THEREFORE SOMETHING AKIN TO TREASON. ZIONISM ESPECIALLY FELL INTO THAT CATEGORY. UPI SAYS CURRENT SUSPENSION IS APPARENTLY TO BE PERMANENT.
 JACKSON ON TODAY ADMITTED HIS AMENDMENT APPLIES MAINLY TO IRON CURTAIN AND SATELLITE COUNTRIES AND WOULD DENY MFN STATUS UNLESS COUNTRIES COMPLY W/FREE EMIGRATION AND PRES. CAN CERTIFY PEOPLE HAVE THIS RIGHT. SAXBE COUNTERED, SAYING EVEN THE USSR'S EMIGRATION POLICIES ARE "ABOMINABLE," AS IS BERLIN WALL, TOO. JACKSON'S AMENDMENT IS A "DANGEROUS POLITICAL PLOY" THAT 1) COULD WRECK TRADE AGREEMENT BRINGING PROSPERITY TO MANY FARMERS AND 2) COULD CAUSE A REACTION AGAINST THE FREER EMIGRATION POLICIES THAT HAVE COME ABOUT THRU QUIET DIPLOMACY, MOSCOW SUMMIT, STATE AND SHULTZ. SAXBE, NOTING AMENDMENT WOULD INTERFERE W/USSR'S INTERNAL AFFAIRS, ADDED THERE COULD BE REACTION IN US UNFAVORABLE TO JEWS IF US LOSES TRADE AND FARMERS, PROSPERITY.
 STATING A "DOLLAR PRICE" SHOULD NEVER BE PUT ON FREEDOM, JACKSON ASSERTED "QUIET DIPLOMACY" WAS SO QUIET, USSR NEVER HEARD OF IT TIL HE PROPOSED AMENDMENT. AND, HE ADDED, IT'S HIS AMENDMENT THAT'S CAUSED USSR TO RELEASE SOME JEWS W/OUT TAX. ALL COLD WAR TROUBLES INVOLVE IRON CURTAIN, WHICH HAS CAUSED A LOT OF "MISERY," AND ALL HE'S TRYING TO DO IS PUT SOME "CHINKS" IN THIS CURTAIN. NOTING HE WOULDN'T BE HERE IF NORWAY HADN'T ALLOWED HIS PARENTS TO EMIGRATE, SCOPP SAYS US HAS OBLIGATION TO BREAK DOWN EMIGRATION BARRIERS. HE ALSO WONDERED

SENSITIVE

SENSITIVE

PAGE 1 - 274

SITUATION LISTING

DATE 04/24/73//114

SITUATION: HAK
 SUBJECT CATEGORY: OUTGOING II

MESSAGE / ANNOTATION:

HOW COUNTRIES COULD IMPOSE SANCTIONS AGAINST SOUTH AFRICA, BUT NOT DO THE SAME FOR USSR, WHILE HE AGREES W/OPEN EMIGRATION POLICIES, SAXBE CONTENDED AMZNDMENT WAS "DANGEROUS TINKERING" WHEN USSR WAS A "VALUED CUSTOMER," WHEAT SALE, FOR EXAMPLE, WASN'T JUST DOING USSR A FAVOR, HE ASSERTED, AND ADDED WHEN SOVIETS CAN BUY WHEAT ELSEWHERE THEY MIGHT DO IT, THEY COULD TELL US THEY WON'T BUY OUR WHEAT UNLESS WE GIVE SD TO INDIANS, SAXBE SAID, RNIS MEETING MAY OR MAY NOT HAVE INSPIRED SOVIET GYMNASTS TO NEW ENTHUSIASM, SAID HKS, BUT THEY WERE "GREAT" AND UNIV. OF MD. AUDIENCE "ECSTATIC," KOPPEL OVER FILM OF THE SHOW SAID W/ADMIN PUSING HILL FOR MFN AND THE UPCOMING RN-BREZHNEV SUMMIT, IT DOESN'T HURT FOR US AUDIENCES TO SEE HOW GRACEFUL, TALENTED AND NICE SOME OF RUSSIAN YOUTHS ARE, FEW WHO SAW SWEETHEART OLGA WOULD VIEW SELVES AS ACTIVE PARTICIPANTS IN IMPROVING US-USSR RELATIONS, SAID KOPPEL, BUT IF PING PONG HELPED PAVE WAY TO BETTER US-PRC RELATIONS, IMAGINE WHAT WORLD'S BEST FEMALE GYMNASTS CAN DO FOR BLOSSOMING US-USSR DETENTE, WHAT BETTER WAY TO DISPEL THOSE NASTY COLD WAR CARICATURES OF BURLY SOVIET WOMEN THAN OLGA, THE CUTEST BUNDLE OF TALENT TO HOP INTO US HEARTS SINCE FLOPSY, MOPSY AND COTTONTAIL, KOPPEL CONCLUDED BY SAYING THQT SOVIET-US FRIENDSHIP WAS THEME OF EVENING W/US NAVY GYMNASTS THERE ALSO.

OTHER FOREIGN AFFAIRS

APIS RODERICK NOTES CHOU HAS DROPPED OUT OF CIRCULATION. WHETHER IT IS BECAUSE HE'S ILL, CURTAILING HIS ACTIVITIES, OR TAKING A WELL-EARNED VACATION ISN'T KNOWN, HIS NAME HASN'T BEEN MENTIONED ON RADIO OR BY THE NEWS AGENCY SINCE MARCH, EXCEPT TO SAY HE SENT A WREATH TO A FUNERAL MARCH 17,

STATE ASSERTED LIBYAN ATTACK ON US RECON PLANE WAS CLEAR VIOLATION OF INTERNAT'L LAW, US WAS MEANWHILE, IMPATIENTLY WAITING FULL EXPLANATION FROM LIBYA, AND OFFICIALS WERE SAYING PRIVATELY THE INCIDENT COULD HARDLY HELP STRAINED RELATIONS.

CATHOLIC LEGISLATORS IN N. IRE. GAVE GUARDED APPROVAL TO BRITAIN'S PEACE PLANS FOR THE PROVINCE AND CHALLENGED IRA GUERRILLAS TO LAY DOWN THEIR ARMS. THE CONCILIATORY RESPONSE WAS IN CONTRAST TO THE OPPOSITION OF MILITANT PROTESTANT LEADERS. THERE WERE SIGNS, THO, THE PROTESTANT FRONT IS NOT AS SOLID AS EARLY HARDLINE STATEMENTS INDICATED.

YUGOSLAVIAN GOV'T DENDUNCED ACTIVITIES OF US DIPLOMATS AND SAID ANTI-YUGOSLAV EXTREMISTS IN US ARE MAKING "GROSS ATTACKS ON OUR COUNTRY." GOV'T STATEMENTS WERE THE LATEST STAGE OF A CAMPAIGN IN PRESS AND POLITICAL CIRCLES AGAINST US INFLUENCES.

DOLLAR/TRADE

DOLLAR SLIPPED SLIGHTLY AFTER WED'S STRONG SHOWING...W. GERM. FOR. MIN. SCHMUDT SAYS RECENT DOLLAR-CRISIS DECISIONS HAVE IMPROVED ATMOSPHERE FOR WORLD MONETARY REFORM AND US-EUROPEAN TRADE TALKS.

SENSITIVE

SENSITIVE

PAGE 1 - 275

SITUATION LISTING

DATE 04/24/73//114

SITUATION: HAK
 SUBJECT CATEGORY: OUTGOING II

MESSAGE / ANNOTATION:

HE ATTACKS AS "DANGEROUS TO THE US-EUROPEAN RELATIONSHIP," COMMENTS BY SOME SOLONS FAVORING TOUGH PROTECTIONIST TRADE MEASURES OR W/DRAWAL OF US TROOPS FROM EUROPE, APIS CUNIFF SAYS LOANS AND BANK WITHDRAWALS PLAYED SIGNIFICANT ROLE IN THE FLIGHT OF DOLLARS INTO MARKS AND YEN DURING RECENT MONETARY CRISIS. IN THE OPINION OF RESPECTED ECONOMIC ADVISER JOHN WRIGHT, PERHAPS OF GREATER SIGNIFICANCE IS THAT A MISINTERPRETATION OF THE ACTIVITY COULD LEAD TO RESTRICTIVE MONETARY POLICY THAT COULD END DOMESTIC ECONOMIC EXPANSION. HE SUGGESTS LARGE CORPORATIONS, PARTICULARLY MULTINATIONALS, WERE HEAVILY INVOLVED IN THE CRISIS, ALONG W/"SPECULATORS" AND ANONYMOUS MIDEAST OIL MEN. BUT WRIGHT FINDS INTERNAT'L ASPECT OF SITUATION IS NOW UNDER CONTROL, THO DOMESTIC CONSEQUENCES OF MISUNDERSTANDING COULD BE RECESSIONARY W/OUT STATEMENT OF CONFIDENCE FROM BURNS TO "TELL IT LIKE IT IS AND KILL THE GROWING PSYCHOLOGY OF RECESSIONARY EXPECTATIONS WHICH COULD ABORT OUR HARD-WON ECONOMIC RECOVERY. RN IN 1ST ANNUAL INTERNAT'L ECONOMIC REPORT ASKS FOR "FAR-REACHING AUTHORITY TO BOTH INCREASE AND REDUCE TARIFFS AND TO PROVIDE PROTECTION FOR US INDUSTRIES THREATENED BY FOREIGN IMPORTS." HE SAID ADMIN WILL SEEK MAXIMUM FLEXIBILITY IN NEGOTIATING AND TO FOREIGN BARRIERS TO US GOODS...WH REAFFIRMED ITS CONDITIONAL SUPPORT FOR GENERALIZED PREFERENCES FOR THE PRODUCTS OF LESS DEVELOPED COUNTRIES, AND ALSO RESTATED ITS INTENT TO GIVE HIGH PRIORITY TO INDOCHINA AID IN WHAT UPI CALLS A CANDID ASSESSMENT OF INTERNATIONAL ECONOMIC POLICY SINCE WWII, WH REPORT SAID THAT POLICY "HAS BEEN LARGELY SUBORDINATED TO INTERNATIONAL OBJECTIVES. THE REPORT ACCUSED JAPAN AND W. EUROPE OF PURSUING A SELF-CENTERED "SURPLUS SYNDROME" WHICH LED THEM TO RETAIN IMPORT BARRIERS DESPITE ROBUST PROSPERITY. IT INDICATED US WOULD NO LONGER TOLERATE WHAT IT CONSIDERS TO BE UNFAIR COMPETITION. THE REPORT ADDED THWT SINCE WWII, AMERICAN ECONOMIC POLICY SACRIFICED SOME OF ITS TRADE ADVANTAGES IN AN EFFORT TO STIMULATE WORLD-WIDE ECONOMIC GROWTH AND TO CHECK COMMUNIST EXPANSION, US COULD AFFORD SUCH POLICIES THEN BUT CANNOT NOW. NBC/ CBS NOTED.

STATE'S CASEY SAID RN WILL SEND OUT A TRADE BILL IN EARLY APRIL THAT WILL GIVE HILL VETO OVER SOME RESULTS OF WORLD TRADE TALKS. UPI NOTES CASEY WENT FURTHER THAN MOST US OFFICIALS IN DESCRIBING BILL WHICH, HE SAID, WOULD "FOCUS RATHER HEAVILY ON NON-TARIFF BARRIERS"--A COMPLEX OF QUOTAS AND RESTRICTPONS THAT HAVE LARGELY REPLACED TARIFFS AS IMPEDIMENTS TO FREE TRADE.

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SENSITIVE